

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
	)	
<b>Developing a Unified Intercarrier Compensation Regime</b>	)	<b>CC Docket No. 01-92</b>
	)	

**To: The Commission**

**COMMENTS OF RURAL CELLULAR ASSOCIATION**

Rural Cellular Association (“RCA”), by its attorneys, respectfully submits these Comments in response to the request of the Federal Communications Commission (“FCC” or “Commission”)<sup>1</sup> for comment on matters relevant to replacing the outmoded system of intercarrier payments with a uniform regime more conducive to competitive markets and new technologies.

**Introduction**

RCA is an association representing the interests of approximately 100 small and rural wireless licensees providing commercial services. RCA was formed in 1993 to address the distinctive issues facing wireless service providers. Member companies offer service in more than 135 rural and small metropolitan markets where more than 14.6 million people reside in the United States.

RCA offers herein its perspective on the proposals for reform of intercarrier compensation (“IC”) systems to accommodate new service offerings in a more highly evolved

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<sup>1</sup> *Further Notice of Proposed Rulemaking*, CC Docket No. 01-92, FCC 05-33, released March 3, 2005 (“*FNPRM*”).

communications network. RCA supports the FCC's proposal to move away from per-minute measurements, jurisdictional and regulatory distinctions, and the "calling-party-network-pays" approach to compensation. The new regime should encourage competition, preserve universal service support, accommodate continuing change, require minimal regulatory intervention and enforcement, and be technologically and competitively neutral.

**A. The FCC Should Adopt a "Bill and Keep" Plan  
with a Transition Period not to exceed Four Years**

The *FNPRM* observes that the three basic principles underlying existing IC regimes must be re-examined "...in light of significant market developments since the adoption of the access charge and reciprocal compensation rules."<sup>2</sup> First, the Commission cites the record in this proceeding as support for the proposition that where competing service providers perform essentially the same functions, there is no longer a basis for jurisdictional and regulatory distinctions that result in different levels of compensation to such carriers.<sup>3</sup> Second, the Commission notes that, as competition has increased, "...the ability to shift costs to competitors through intercarrier charges increasingly distorts the competitive process."<sup>4</sup> And third, "[d]evelopments in the ability of consumers to manage their own telecommunications services undermine the premise that the calling party is the sole cost causer and should be responsible for all the costs of a call."<sup>5</sup> Considering all of these developments the Commission decided that it is compelled "...to move toward a new, unified

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<sup>2</sup> *FNPRM* at para 15.

<sup>3</sup> *Id.*

<sup>4</sup> *FNPRM* at para 16.

<sup>5</sup> *FNPRM* at para 17.

intercarrier compensation regime that is better suited to a market characterized by competition among multiple types of carriers and technologies.”<sup>6</sup>

RCA has studied the assortment of IC reform proposals submitted by industry and other groups. Recognizing that proposals typically reflect the vested interests of their proponents RCA urges the Commission to look critically at plans that seek to substitute a complex new system based upon legacy carriers’ embedded costs for the current system that is recognized as obsolete in today’s competitive marketplace.

Considering that persons receiving calls, for all practical purposes, benefit in a comparable manner to persons placing calls, there appears no sufficient reason to continue to assign the terminating cost of a call to the originating carrier. A “bill and keep” plan for all traffic exchanged between carriers would be both efficient and easy to administer. It would avoid the need for reciprocal compensation agreements and the costs of establishing and administering those agreements once bill and keep becomes effective. Likewise there would be no continuing need for the “intra-MTA rule” that currently distinguishes “local” traffic from traffic subject to access charges by the terminating local exchange carrier. If a transition period to bill and keep is needed RCA submits that the period should be relatively brief. It should not exceed four years and should not be subject to postponement following another study period. The industry needs certainty that the plan adopted will be the plan that takes effect according to the scheduled time.

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<sup>6</sup> *Id.*

**B. Any Changes in the Universal Service Program  
Must Be Competitively and Technologically Neutral**

The Commission agrees that any new IC approach “...must be competitively and technologically neutral.”<sup>7</sup> The importance of that concept cannot be overemphasized as the Commission considers changes to universal support mechanisms as part of its reform of the IC system.

If there are new USF mechanisms, or changes to current USF mechanisms, competitive ETCs that are wireless carriers should not be excluded from receiving the same support received by incumbent local exchange carriers (“ILECs”) that operate in the same areas. Wireless carriers should not be disadvantaged by reason of the technology employed or in any other manner that favors the ILECs. The effect of IC reform should not be to provide new safe harbor protections for ILECs that are effectively unavailable to wireless competitors.

As the wireless industry matures and priorities shift, the Commission should continue to take actions to ensure that developing technologies are treated in a neutral, not preferential, manner. In sum, any plans for reforms that provide guaranteed payments to some carriers and not others, particularly in areas served by multiple carriers, should be rejected as lacking in competitive and

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<sup>7</sup> *FNRPM* at para. 33.

technological neutrality.

Respectfully submitted,

**RURAL CELLULAR ASSOCIATION**

*[filed electronically]*

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